



September 17, 2019

Item No. 11A

**AUTHORIZATION TO APPROVE CHA COMMUNITY SUPPORT
CORPORATION'S OWNERSHIP INTEREST IN SOUTHBRIDGE PHASE 1A and 1B**

Address: Property bounded by 23rd Street on the north, State Street on the east, 24th Street on the south, and Dearborn Avenue on the west.

Alderman: Pat Dowell Ward: 3

Presenter: Ann McKenzie, Chief Development Officer

Recommendation

It is recommended that the Board of Commissioners (BOC) of the Chicago Housing Authority (CHA) authorize the Chief Executive Officer or his designee to Approve 1) CHA Community Support Corporation's Ownership Interest in Southbridge Phase 1A and 1B; and 2) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The requested action complies in all material respects with all applicable federal, state and local laws, and CHA board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Funding

Not applicable

Background

The Harold Ickes Homes development (Ickes), originally situated on approximately 18 acres within the near south side community area of the city of Chicago and was located between 22nd Street (North), State Street (East), 25th Street and 24th Street (South) and Dearborn and Federal Street (West), is currently being redeveloped. The demolition of all buildings was completed in 2010 and the selected development team for Ickes, approved by the BOC June 16, 2015, is The Community Builders, Inc. a Delaware corporation and McCaffery Interests, Inc., an Illinois corporation.

On September 18, 2018, the BOC approved the funding, submission of a Project-Based Voucher (PBV) Rental Assistance Demonstration (RAD) Financing Plan to the United States Department of Housing and Urban Development and execution of a Housing Assistance Payment Contract for the closing and redevelopment of Ickes Phase 1A and 1B, to be known as Southbridge.

On March 27, 2018, the BOC approved the formation of CHA Community Support Corporation, an Illinois not-for-profit entity (CHA CSC) to allow its participation and financing in mixed-finance projects.

The Ickes development team needs an un-affiliated entity to have a 21 percent (21%) ownership interest in the ownership of Phase 1A and 1B due to the requirements of the low-income housing tax credit investor in the projects. CHA CSC is acceptable to the investor. Therefore, CHA requests approval to allow CHA CSC to have an ownership interest in Southbridge Phase 1A and 1B.

Respectfully Submitted:

Ann C. McKenzie
Chief Development Officer

RESOLUTION NO. 2019-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 17, 2019 entitled "Authorization to Approve 1) CHA Community Support Corporation's Ownership Interest in Southbridge Phase 1A and 1B; and 2) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing."

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to Approve 1) CHA Community Support Corporation's Ownership Interest in Southbridge Phase 1A and 1B; and 2) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

James L. Bebley
Acting Chief Executive Officer
Chicago Housing Authority